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ASML

**REMUNERATION POLICY FOR THE
SUPERVISORY BOARD OF ASML HOLDING
N.V. (VERSION 2021)**

Adopted by the general meeting of shareholders on ~~April 22, 2020~~ April 29, 2021

Remuneration Policy Supervisory Board ASML Holding N.V.

This remuneration policy for the Supervisory Board of ASML Holding N.V. (“ASML”) applies as from April 1, 2021 onwards.

The remuneration policy was approved by the Supervisory Board (“SB”) of ASML, upon recommendation of its Remuneration Committee and adopted by the General Meeting on 29 April 2021. The Works Council of ASML Netherlands B.V. exercised its right to give advice prior to adoption.

The changes to this policy are explained in the rationale, which can be found in Annex 1 to this policy.

Objectives and principles

The objective of the remuneration policy for the Supervisory Board of ASML Holding N.V. (“ASML” or the “Company”) is to enable ASML to attract and retain qualified Supervisory Board members, which together compose a diverse and balanced Supervisory Board with the appropriate level of skills, competences and experience required to properly supervise the (execution of the) strategy and the performance of ASML. As such the remuneration policy supports the long-term development and strategy of the Company in a highly dynamic environment, while aiming to fulfill all stakeholders’ requirements and keeping an acceptable risk profile. More than ever, the challenge for ASML is to drive technology, to serve customers and to satisfy stakeholders. These drivers are embedded in the identity, mission and values of ASML and its affiliated enterprises.

The remuneration policy is designed to encourage behavior that is focused on the long-term interests and sustainability of the Company, while adopting the highest standards of good corporate governance.

The level of stakeholder support, including the support in society for the remuneration policy that ASML applies is important to us and is taken into account when formulating the various elements of this remuneration policy. In preparing this remuneration policy, the Supervisory Board has considered the external environment in which the Company operates, the relevant statutory provisions and provisions of the Dutch corporate governance code, competitive market practice as well as the guidance issued by organizations representing institutional shareholders. The Supervisory Board has discussed its proposals with the Works Council of ASML Netherlands B.V. and received their understanding and feedback. The Supervisory Board also received and input from ASML’s major shareholders. Furthermore, advice has been obtained from an external remuneration expert ~~as well as from the Works Council.~~

The remuneration policy is built on the following principles:

- Transparent – the remuneration policy and its execution are clear and practical
- Alignment – the remuneration policy is benchmarked to market practice
- Compliant - ASML adopts the highest standards of good corporate governance
- Simple – the remuneration policy and its execution are as simple as possible and easily understandable to all stakeholders
- Fair - the remuneration should reflect the time spent and the responsibilities of the role of the members of the Supervisory Board
- Independent - the remuneration of a Supervisory Board member may not be made dependent on the results of the Company

Reference group and market positioning

The remuneration of the Supervisory Board should be competitive as compared to a relevant reference market. To define this market a reference group is used, consisting of companies with a two-tier board

structure listed on the AEX Index of the Euronext Amsterdam Stock Exchange. To determine the positioning in this group, enterprise value, revenue and number of employees will be taken into account.

Remuneration Policy

The remuneration of the Supervisory Board members consists of a fixed remuneration and an extra allowance for intercontinental meetings.

Fixed Remuneration

The fixed remuneration of the Supervisory Board members is as follows:

Position	Annual amount
Chair Supervisory Board	EUR 110,000 <u>EUR 130,000</u>
Vice-Chair Supervisory Board	EUR 80,000 <u>EUR 94,000</u>
Member Supervisory Board	EUR 70,000 <u>EUR 75,000</u>
Chair Audit Committee	EUR 23,000 <u>EUR 25,500</u>
Member Audit Committee	EUR 15,000 <u>EUR 18,000</u>
Chair other committees	EUR 18,000 <u>EUR 20,000</u>
Member other committees	EUR 12,000 <u>EUR 14,500</u>

Extra allowance for intercontinental meetings

In addition to the fixed remuneration, Supervisory Board members are entitled to an extra allowance of EUR 5,000 for each meeting that involves intercontinental travel, given the additional time commitment.

Expenses and expense allowance arrangement

The expenses incurred by the Supervisory Board members in relation to their attendance of Supervisory Board meetings are reimbursed by ASML. In addition, Supervisory Board members are entitled to a fixed net cost allowance covering certain pre-defined out-of-pocket expenses. The annual fixed net cost allowance amounts to EUR 1,380 for each Supervisory Board member, and EUR 1,980 for the Chair of the Supervisory Board.

Loans

The Company will not grant any (personal) loans to, nor shall it grant any guarantees or the like in favor of, any of the members of the Supervisory Board.

Shares and share ownership

Supervisory Board members will not be granted any shares and/or rights to shares in the Company's capital by way of remuneration. Any holding of shares in the Company's capital by Supervisory Board members is for the purpose of long-term investment. In addition, any trading activity shall be subject to ASML's Insider Trading Rules.

Other arrangements

Members of the Supervisory Board are appointed and reappointed based on the provisions of the law and articles of association of ASML. No claw-back, severance or change in control arrangements are in place for members of the Supervisory Board.

Decision making process

The Supervisory Board remuneration will be reviewed from time to time. At least every four years, the remuneration policy will be submitted to a vote by the general meeting, after obtaining the advice of the Works Council. In case of a revision of the remuneration policy, a description and explanation is presented of all significant changes, including the rationale for those revisions and other aspects as required by law or the Corporate Governance Code. It is the Company's policy to seek input from organizations representing institutional shareholders as well as from ASML's major shareholders in case significant changes to remuneration arrangements are proposed.

Annex 1 Rationale Remuneration Policy

Rationale for the Remuneration Policy (version 2021) for the Supervisory Board of ASML Holding N.V.

The 2021 remuneration policy for the Supervisory Board ("SB") of ASML Holding N.V. ("ASML" or the "Company") builds on the remuneration policy that was developed in 2020. The proposed 2021 revision is a minor adjustment of the 2020 policy to maintain a competitive remuneration since the last review of the remuneration levels in 2019.

Objective and principles

The objective of the remuneration policy is to enable ASML to attract and retain qualified SB members, which together compose a diverse and balanced SB with the appropriate level of skills, competences and experience required to properly supervise the (execution of the) strategy and the performance of ASML.

The level of stakeholder support, including the support in society, for the remuneration policy that ASML applies is important to us and is taken into account when formulating the various elements of this remuneration policy. In preparing this remuneration policy, the SB has carefully considered the external environment in which the Company operates, the relevant statutory provisions and provisions of the Dutch corporate governance code, competitive market practice as well as the guidance issued by organizations representing institutional shareholders. The SB has discussed its proposals with the Works Council of ASML Netherlands B.V. and received their understanding and feedback. The SB also received input from ASML's major shareholders. Furthermore, advice has been obtained from an external remuneration expert.

Diligent consideration has been given in the light of the COVID-19 pandemic. ASML is well aware of how the pandemic has impacted the economy and the whole world for that matter. We have contemplated whether this should lead to postponing or canceling policy adjustments despite the outcome of the bi-annual remuneration benchmark. However, as it turned out, ASML has hardly been impacted by the pandemic in terms of business and financial performance. Expressed in revenue, profit and share price, 2020 was a record year for the Company. ASML did not need or apply for any financial government support related to the pandemic. We continued to return capital to our shareholders by means of growing dividends and execution of our share buyback program, which was paused in Q1 2020 following the COVID-19 outbreak, but resumed in Q4, as part of our unchanged capital return policy. Finally, we also did not see companies in our industry lower their remuneration levels in response to, or as a result of, the COVID-19 pandemic.

Altogether, ASML therefore thinks it is justified to continue as planned and propose adjustments to the remuneration policy following the bi-annual remuneration benchmark.

Changes to the 2020 policy

The remuneration of the SB should be competitive as compared to a relevant reference market. To define this market, a reference group consisting of the AEX companies with a two-tier board structure is used. One-tier companies (that typically have higher remuneration levels) were excluded. To determine the positioning in this group, enterprise value, revenue and number of employees have been taken into account.

In 2020 a benchmark was performed. The outcome was that, within the AEX reference group, ASML positions on average above the 75th percentile in terms of the size parameters mentioned above, based on 2019 company data. Based on this positioning in the AEX reference group, the SB is of the opinion that it is justified to position the SB remuneration levels around the 75th percentile to retain competitiveness.

This implies the following:

Position	Current amount	Proposed amount
Chair Supervisory Board	EUR 110,000	EUR 130,000
Vice-Chair Supervisory Board	EUR 80,000	EUR 94,000
Member Supervisory Board	EUR 70,000	EUR 75,000
Chair Audit Committee	EUR 23,000	EUR 25,500
Member Audit Committee	EUR 15,000	EUR 18,000
Chair other committees	EUR 18,000	EUR 20,000
Member other committees	EUR 12,000	EUR 14,500

As a sanity check, a benchmark was carried out of the SB remuneration of the non-Dutch two-tier companies in the reference group used for the Board of Management remuneration. It became clear from this exercise that those companies have on average (much) higher remuneration levels than ASML. SB remuneration of ASML is low in a European context.

It should further be noted that the proposed 2021 policy levels are based on available remuneration market data from 2020 and 2019, and based on ASML's company size among AEX companies in 2019, whereas ASML has grown further since. This proposal does *not* contain a provision for an 'upward estimate', to take this two-year gap and growth of ASML into account. This has been a conscious choice that ASML has consistently applied for years now, and which is driven by the desire to be transparent and only base decisions on known (publicly available) remuneration and company data at the time of the benchmark.